

ASX Announcement

Friday, 25 February 2011

2010 SHAREHOLDER REVIEW

A copy of Woodside's 2010 Shareholder Review, which is an extract from the 2010 Annual Report released on 21 February 2011, follows this announcement and is also available on Woodside's website at www.woodside.com.au.

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OVERVIEW

In 2010 we have been laying the groundwork to position the company for the future. The North West Shelf Project (NWS) continues to underpin Woodside's financial performance and growth ambitions, delivering more than 60% of Woodside's revenue during the year. Our net profit for 2010 was \$1.58 billion, surpassing our previous record of \$1.47 billion in 2009. Our 2010 total annual production for the year was within guidance at 72.7 MMboe.

We will continue to maximise value from the NWS assets through the North Rankin and NWS Oil Redevelopment projects and progressing plans for the development of the Greater Western Flank. The discovery of the Cimatti oil field strengthens the long-term production outlook in the region.

In November 2010 we announced a later start up date and a revised cost of A\$14 billion (100% project) for the foundation Pluto LNG Project. While I was disappointed in this result, Pluto still has solid economics and will provide outstanding long-term value to our shareholders. When it comes to expansion, the Pluto LNG Park provides us with the flexibility to consider both equity gas development and third party gas supply.

The progress of the Browse LNG Development during the year was remarkable. With basis of design for Browse now complete, we are on track to commence

front-end engineering and design to be ready for a final investment decision in mid-2012. Sunrise also reached a major milestone during the year, with the Joint Venture selecting Floating LNG as the preferred development concept. With our suite of operations, projects and developments, we are well positioned to take advantage of the growing energy demand in the Asia-Pacific region.

There is no doubt that the Montara incident in the Timor Sea in 2009 and the Macondo incident in the Gulf of Mexico in 2010 will have long-lasting implications for the global oil and gas industry. In response to these events, Woodside has developed a taskforce to ensure our drilling systems and process remains robust and that we incorporate lessons learned from these events.

In October 2010, I announced that after seven years at Woodside I will retire. Although I will leave Woodside in 2011, there won't be a day I won't follow the company. Woodside has the best people in the business, reliable producing assets and an exciting growth portfolio that will provide value for our shareholders for many years to come.



Don Voelte
MD and CEO

This review provides a summary of Woodside's 2010 Annual Report (dated 21 February 2011) which is available on the company's website,

www.woodside.com.au

Key announcements 2010

January

Woodside Browse marketing update
Gas encountered in Noblitz Well

February

Woodside announces successful completion of retail bookbuild
Browse Joint Venture selects development concept
Browse enters basis of design phase
Woodside reports full year net profit of A\$1,824 million

March

Sale of Otway Gas Project completed
Change in functional and presentation currency for financial reporting

April

Sunrise Joint Venture selects floating processing option

June

Appointment of Deputy Chief Financial Officer

August

Gas discovery at Alaric
Gas discovery at Larsen Deep
Woodside reports first half profit of US\$901 million

September

Update on Browse LNG Development

October

Succession plan commenced for CEO
Woodside increases equity in Pluto Central Hub

November

Shell announcement on Woodside shareholding
Gas discovery at Remy-1

December

Debt facility re-financing completed

Share registry: Enquiries

Investors seeking information about their shareholdings should contact the company's share registry:

Computershare Investor Services Pty Limited

Level 2, 45 St Georges Terrace, Perth,
Western Australia 6000

Postal address: GPO Box D182, Perth,
Western Australia 6840

t: 1300 558 507 (within Australia)
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e: web.queries@computershare.com.au

www.investorcentre.com/wpl

Events calendar 2011

Key calendar dates for Woodside shareholders in 2011. Please note dates are subject to review.

21 January

Fourth quarter 2010 report

21 February

2010 Full-Year result and final dividend announcement

24 February

Ex-Dividend date for final dividend

2 March

Record date for final dividend

6 April

Payment date for final dividend

18 April

AGM proxy returns close at 10.00 am (AWST)

19 April

First quarter 2011 report

20 April

Annual General Meeting

30 June

Woodside Half-Year end

19 July

Second quarter 2011 report

17 August

2011 Half-Year result and interim dividend announcement

TBA August

Ex-Dividend date for interim dividend

TBA August

Record date for interim dividend

TBA September

Payment date for interim dividend

21 October

Third quarter 2011 report

31 December

Woodside Year end

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Full Year Review 2010



ABOUT WOODSIDE

Woodside is an independent Australian oil and gas company playing a key role in supplying energy to our region.

We are one of the world's leading producers of liquefied natural gas (LNG), helping meet the demands for cleaner energy from Japan, China, Korea and other countries in the Asia-Pacific region.

Woodside was formed in 1954 and initially focused on oil exploration off Australia's south coast.

Major natural gas discoveries off the Western Australian coast in the 1970s changed the company's direction, and today Woodside is one of the world's pre-eminent producers of LNG.

We operate the A\$27 billion North West Shelf Project, which in 2009 celebrated 25 years of natural gas production and 20 years of LNG production.

We pride ourselves as a stable and reliable supplier with a focus on delivering on our commitments.

Woodside's production of LNG continues to grow, with the Pluto foundation project targeted for first LNG in 2011.

We are already planning for an expansion of our Pluto project, and are seeking to develop a further two LNG projects – Browse in Australia's Kimberley region and Sunrise off the northern coast.

Woodside also maintains a portfolio of non-LNG projects. We produce natural gas, liquefied petroleum gas, condensate and oil for customers in Australia and elsewhere.

With our large natural gas resource base, Woodside is a sought-after provider of cleaner energy. We seek excellence in safety and environmental performance, and aim to ensure that wherever we operate, the local community benefits from our presence.

All dollars are expressed in U.S. currency unless otherwise stated.

RESULTS HIGHLIGHTS

- Record reported profit after tax of \$1,575 million up 6.9%
- Underlying profit after tax of \$1,418 million, up 34.8%
- Production of 72.7 MMboe, in line with guidance (2010 target: 70 – 75 MMboe)
- Annual sales revenue of \$4,193 million up 20.2%
- Final dividend of US55 cents per share (cps) lifted full year dividend to a record of US105 cps, up 10.5%
- Well funded with approximately \$2.7 billion of undrawn debt and cash on hand; gearing decreased to 26.3%
- Operating cash flow of \$2,104 billion, up 41.9%
- Proved reserves over 1.3 billion boe with organic 2010 reserves replacement ratio of 171%

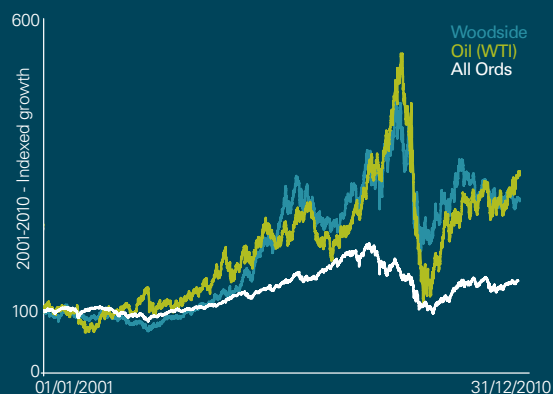
RESULTS FOR THE YEAR

		2010	2009	% Change
Net profit after tax	(\$ million)	1,575	1,474	6.9%
Sales revenue	(\$ million)	4,193	3,487	20.2%
Cash flow from operating activities	(\$ million)	2,104	1,483	41.9%
Earnings per share	(cents)	204	210	-2.9%
Total recordable case frequency	(TRCF)	5.1	3.3	54.5%
5 year total shareholder return	(TSR, %)	16 ⁽¹⁾	42 ⁽¹⁾	-61.9%
10 year total shareholder return	(TSR, %)	78 ⁽²⁾	85 ⁽²⁾	-8.2%
Production	(MMboe)	72.7	80.9	-10.1%
Proved reserves	(MMboe)	1,308	1,296	1.0%
Proved plus Probable reserves	(MMboe)	1,680	1,651	1.7%
Contingent resources	(MMboe)	1,814	1,867	-2.8%

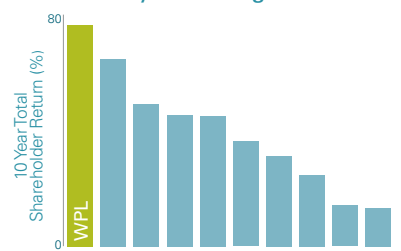
⁽¹⁾ Source: Bloomberg, 5 year average, annualised, US\$.

⁽²⁾ Source: Bloomberg, 10 year average, annualised, US\$.

INDEXED TEN YEAR PERFORMANCE



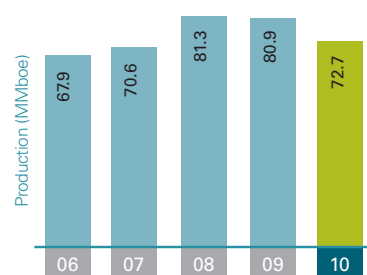
TOTAL SHAREHOLDER RETURN (TSR) PERFORMANCE AGAINST PEERS Ten year average annualised



The excellent ten year TSR reflects the long-term sustainability of our business relative to our peer group which includes: Anadarko, Apache, BG, Marathon, Murphy, Pioneer, Repsol, Santos and Talisman.

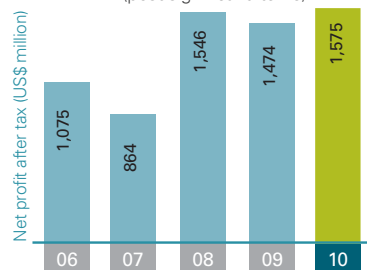
Source: Bloomberg, ten year average, annualised, US\$.

PRODUCTION



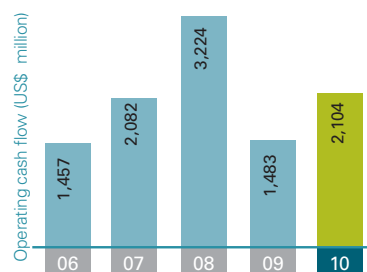
Production was in line with guidance and down 10.1%. The reduction was primarily due to the sale of Woodside's interest in the Otway Gas Project and oil-field natural decline.

REPORTED NET PROFIT AFTER TAX (post significant items)



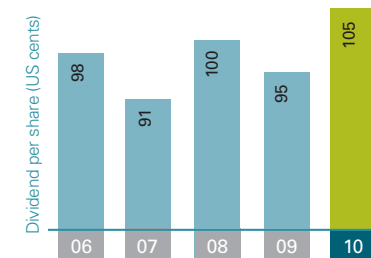
Reported net profit after tax up 6.9% due to higher commodity prices and one-off gains from asset divestments.

OPERATING CASH FLOW



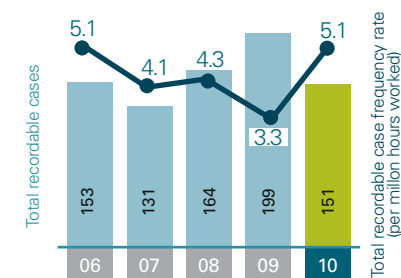
Operating cash flow up 41.9%, predominantly due to increased receipts from higher commodity prices.

DIVIDENDS PER SHARE (US cents per share)



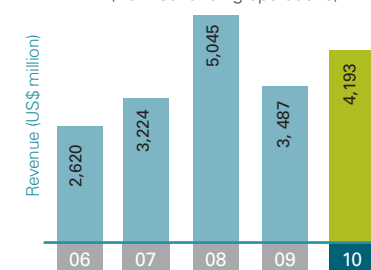
Final dividend of 55 cents per share (cps), fully franked. Total 2010 dividend up 10 cps from 95 cps to 105 cps.

TOTAL RECORDABLE CASES



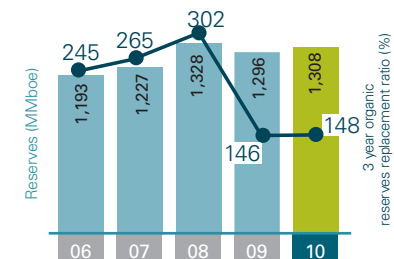
The focus to reduce TRCF and maintain a downward trend in the number of safety incidents will continue into 2011.

SALES REVENUE (from continuing operations)



Sales revenue up 20.2% due to higher commodity prices and additional revenue from sales contract renegotiations.

PROVED RESERVES



Proved reserves have increased over the last five years.